



Illinois Workforce Innovation Board

Bruce Rauner, Governor

John Rico, Co-Chair
Sean McCarthy, Co-Chair

Request to Approve

Request

The Interagency Work Group, Performance Accountability Subgroup requests that IWIB vote on and establish two (of three proposed) primary indicators of performance in serving employers. These measures will be shared outcomes across all six core Workforce Innovation and Opportunity Act (WIOA) programs within the State.

Background

WIOA sec. 116(b)(2)(A)(i)(VI) requires the United States Departments of Labor (USDOL) and Education (USDOE) to establish two primary indicators of performance for effectiveness in serving employers. The Departments are implementing a single indicator in the form of a pilot program to test the rigor and feasibility of all three approaches, to solicit State input on suggested employer measures the State might voluntarily develop and report, and to subsequently set a standardized indicator. This indicator will be reported on an annual basis; therefore, the reporting period for the effectiveness in serving employers indicator is the program year.

As described in the Joint WIOA Final Rule and the Joint WIOA Performance, Information Collection Request (ICR (Office of Management and Budget (OMB) Control No. 1205-0526), the Department have developed three approaches for measuring effectiveness in serving employers. States must select two of these three approaches to report on this indicator. Governors may also establish and report on a third State-specific approach for measuring effectiveness, in addition to the two Department approaches selected. The Departments will evaluate State experiences with the various approaches and plan to identify a standardized indicator that the Departments anticipate will be implemented no later than the beginning of Program Year 2019.

Approaches and Subgroup Recommendations

Below are the three Approaches to Measuring Effectiveness in Serving Employers (Each State must select two and may also develop a third State-established measure(s).)

1. **Retention (Retention with the Same Employer) – This approach captures the percentage of participants who exit and are employed with the same employer in the second and fourth quarters after exit.**
 - a. **Subgroup Opinion-**
 - i. The subgroup feels that this approach is useful in determining whether the core programs are serving employers effectively by improving the skills of their workforce and decreasing employee turnover.

The Illinois workNet Center System, an American Job Center is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this website may be reached by persons using TTY/TDD equipment by calling TTY (800) 526-0844 or 711.

- ii. The state will utilize wage records and have the ability to identify and have indicators to match data (such as FEIN or State tax ID in the second and fourth quarters). Therefore, Illinois will have this information available.
 - b. **Subgroup Recommendation** –
 - i. Recommends using approach number 1, as wage records are already gathered and this method is familiar and attainable.
 - ii. Data exceptions will need to be taken into consideration and analyzed, such as mergers and acquisitions. In these cases, for example, one individual may work for the same employer, but show two FEIN’s after the merger.
- 2. Repeat Business Customers (Percentage of repeat employers using services within the previous three years) – This approach tracks the percentage of employers who receive services that use core program services more than once.**
- a. **Subgroup Opinion** –
 - i. The subgroup feels this is useful in determining whether employers who receive services from the core programs are satisfied with those services and become repeat customers.
 - ii. It also could assess the workforce system’s ability to develop and maintain relationships with employers over extended periods of time.
 - b. **Subgroup Recommendation** –
 - i. Does NOT recommend using approach number 2, measuring “repeated use” is inexact and, more challenging to collect and have high confidence in the data.
- 3. Employer Penetration Rate (Percentage of employers using services out of all employers in the State) – This approach tracks the percentage of employers who are using the core program services out of all employers represented in an area or State served by the public workforce system (i.e., employers served).** American Job Centers will keep track of the number of establishments served within a program year, and States will collect that data and compare it to the aggregate number of employers in a given State and/or county.
- a. **Subgroup Opinion** –
 - i. This approach is useful in determining whether the core programs are serving a large portion of employers in an area and are adequately meeting the workforce needs of the area.
 - b. **Subgroup Recommendation** –
 - i. Recommends using approach number 3 which is seemingly simpler to count the number or percent of employers using the core program services.

Considerations

Upon establishing the two approaches, Illinois will be in compliance with WIOA sec. 116(b)(2)(A)(i)(VI), which requires each state to establish a primary indicator of performance. Illinois will be able to move forward and review outcomes of each indicator selected and provide results on the preferred indicator that will be adopted for USDOL/State performance.

Motion

“I move that the IWIB approve adoption of **Approach 1) Retention with the Same Employer Measure**, and **Approach 3) Employer Penetration Rate Measure** as the two pilot program approaches for effectiveness in serving employers.”

WIOA Core Indicators of Performance

The vision of WIOA includes six common performance accountability measures that apply to the WIOA core programs. This vision is articulated in the Final Regulations and subsequent guidance for implementing the common performance measures:

"This is an historic opportunity to align definitions, streamline performance indicators, and integrate reporting for each of the core programs to the extent practicable, while implementing program-specific requirements. Through these proposed joint regulations, the Departments are laying the foundation for the establishment of a performance accountability system that serves all core programs and their targeted populations in a manner that is customer-focused and supports an integrated service design delivery model"

These core indicators for adult and dislocated worker formula programs, adult education, Wagner-Peyser employment services, and vocational rehabilitation (except where otherwise noted) include:

Employment Rate 2nd Quarter after Exit - The percentage of WIOA registered participants in unsubsidized employment during the 2nd quarter after exit from the program.

Employment Rate 4th Quarter after Exit - The percentage of WIOA registered participants who are in unsubsidized employment during the 4th quarter after exit from the program.

Median Earnings - The median earnings of WIOA registered participants who are in unsubsidized employment in the 2nd quarter after exit from the program.

Credential Attainment – Includes all Adult and Dislocated workers who received training or education (excluding OJT or Customized Training) - The percentage of WIOA registered participants who obtain a postsecondary credential or a high school diploma or GED during participation in a program or within 1 year after exit from the program. If participant obtains secondary school diploma or equivalent, they must also be employed or in an education/training program leading to a postsecondary credential within 1 year after exit to count as having met the performance indicator. *(Note: does not apply to the Title III program as they do not enroll participants into training services.)*

Measurable Skill Gains – includes those in education or training in a given program year (not exit based) that achieve any of the following – educational functioning level increase, secondary school diploma attainment, transcript/report card showing 12 credits attained, satisfactory progress report toward established milestone, and successful passage of a required exam. Only 1 skill gain is allowed to be included per program year (i.e., in numerator and denominator 1 time) unless a participant has multiple periods of participation in a given program year. *(Note: does not apply to the Title III program as they do not enroll participants into training services.)*

Effectiveness in Serving Employers for all programs is to be defined –Illinois' motion to the IWIB is to choose 2 of the 3 possible definitions.

Programs for youth will be measured using similar measures that are tailored to disadvantaged youth. The last three performance indicators are new measures under WIOA.